

Annual Report 2022

Triodos  Bank

Parent company financial statements

The company balance consist of Triodos Bank N.V. including the branches. Subsidiaries are not consolidated in the parent company financial statements. For the consolidated financial statements, refer to Consolidated financial statements (see page 128).

Parent company balance sheet as at 31 December 2022

Before appropriation of profit			
Amounts in thousands of EUR	Note ¹	2022	2021
ASSETS			
Cash resources		2,174,625	3,832,078
Receivables from credit institutions	31	271,485	186,729
Claims on customers	32	9,380,943	8,855,308
Bonds and other fixed-income securities	33	1,299,198	1,163,603
Shares and other variable-yield securities	34	102	85
Participating interests in group companies	35	255,356	247,609
Other participations	36	41,405	35,605
Intangible assets	37	49,157	45,942
Property and equipment	38	75,563	80,448
Investment property	39	6,739	7,905
Right-of-use assets	40	12,073	15,196
Non-trading derivatives		295,696	19,650
Deferred Tax Assets		12,920	13,334
Current tax receivable		4,043	1,730
Other assets	41	40,217	45,356
Accrued assets	42	21,122	19,411
Non-current Assets Held for Sale	43	4,750	12,679
Total assets		13,945,394	14,582,668

Before appropriation of profit			
Amounts in thousands of EUR	Note¹	2022	2021
LIABILITIES			
Amounts owed to credit institutions	44	337,087	1,608,305
Amounts owed to customers	45	11,984,252	11,386,200
Lease liabilities	40	12,635	15,858
Non-trading derivatives		1,249	6,947
Deferred Tax Liabilities		10,876	6,327
Current tax liabilities		6,450	7,687
Other debts	46	19,096	15,221
Accrued liabilities	47	54,340	35,068
Provisions	48	6,605	2,137
Subordinated liabilities	49	253,409	248,796
Total liabilities		12,685,999	13,332,546
EQUITY			
Share Capital	50	723,353	723,353
Share premium reserve	50	200,811	200,811
Translation reserve		-4,426	-4,482
Cost of hedging reserve		369	117
Revaluation reserve		4,032	82
Statutory reserve	50	49,568	46,431
Retained earnings	50	240,724	233,051
Result for the period		<i>49,940</i>	50,759
Interim dividends		<i>-4,976</i>	-
Unappropriated result for the period		44,964	50,759
Equity		1,259,395	1,250,122
Total equity and liabilities		13,945,394	14,582,668
Contingent liabilities	51	66,143	89,042
Irrevocable facilities	52	1,712,549	1,929,582
		1,778,692	2,018,624

¹ These are the references to the notes to the parent company financial statements. These notes form an integral part of the parent company financial statements.

Parent company profit or loss account 2022

Amounts in thousands of EUR	Note ¹	2022	2021
INCOME			
Interest income	53	225,146	200,766
Interest expense	54	-25,014	-21,590
Net interest income		200,132	179,176
Income from participating interests	55	19,798	15,692
Fee and Commission income	56	72,874	67,814
Fee and Commission expense	57	-7,806	-5,571
Net fee and commission income		65,068	62,243
Net result from other financial instruments at FVTPL	58	-100	2,037
Other income	59	950	1,991
Other income		850	4,028
Total income		285,848	261,139
EXPENSES			
Personnel expenses	60	123,436	111,493
Other administrative expenses	60	72,983	63,300
Amortisation and value adjustments of intangible assets	61	13,452	11,551
Depreciation and value adjustments of property and equipment	61	10,561	13,458
Operating expenses		220,432	199,802
Impairment result on financial instruments	62	2,516	-2,891
Total expenses		222,948	196,911
Operating result before taxation		62,900	64,228
Taxation on operating result	63	-12,960	-13,469
Net profit		49,940	50,759

¹ These are the references to the notes to the parent company financial statements. These notes form an integral part of the parent company financial statements.

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Parent company statement of changes in equity 2022

Amounts in thousands of EUR	Share capital	Share premium
Equity as at		
1 January 2021	723,353	200,811
Result for the period		
Foreign operations – foreign currency translation differences		
Cost of hedging of net investments in foreign operations		
Equity investments at FVOCI – net change in fair value		
Total comprehensive income	-	-
Increase of share capital		
Stock dividend		
Profit appropriation for previous financial year, addition to the other reserves		
Profit appropriation for previous financial year, dividend		
Dividend not distributed in cash		
Transfer to other reserve for development costs		
Dividend tax on withdrawn own depository receipts		
Purchasing or sale of own depository receipts		
Equity as at		
31 December 2021	723,353	200,811

Translation reserve	Cost of hedging reserve	Revaluation reserve	Statutory reserve	Retained earnings	Unappropriated result for the period	Total equity
-4,385	-55	-2,025	43,806	219,504	27,203	1,208,212
					50,759	50,759
-97						-97
	172					172
		2,107		-		2,107
-97	172	2,107	-	-	50,759	52,941
						-
						-
				17,962	-17,962	-
					-9,241	-9,241
				-		-
			2,625	-2,625		-
				-890		-890
				-900		-900
-4,482	117	82	46,431	233,051	50,759	1,250,122

Amounts in thousands of EUR	Share capital	Share premium
Equity as at		
1 January 2022	723,353	200,811
Result for the period		
Foreign operations – foreign currency translation differences		
Cost of hedging of net investments in foreign operations		
Equity investments at FVOCI – net change in fair value		
Total comprehensive income	-	-
Increase of share capital		
Stock dividend		
Profit appropriation for previous financial year, addition to the other reserves		
Profit appropriation for previous financial year, dividend		
Dividend not distributed in cash		
Extraordinary dividend		
Interim dividend		
Transfer to other reserve for development costs		
Dividend tax on withdrawn own depository receipts		
Purchasing or sale of own depository receipts		
Equity as at		
31 December 2022	723,353	200,811

Translation reserve	Cost of hedging reserve	Revaluation reserve	Statutory reserve	Retained earnings	Unappropriated result for the period	Total equity
-4,482	117	82	46,431	233,051	50,759	1,250,122
					49,940	49,940
56						56
-	252					252
		3,950				3,950
56	252	3,950	-	-	49,940	54,198
						-
						-
				25,169	-25,169	-
					-25,590	-25,590
				-		-
				-14,359		-14,359
					-4,976	-4,976
			3,137	-3,137		-
				-		-
				-		-
-4,426	369	4,032	49,568	240,724	44,964	1,259,395

Notes to the parent company financial statements

General

The general information is the same as those for the consolidated Annual Accounts. For the general information, refer to the general information in the consolidated financial statements.

Basis of preparation

The parent company's financial statements are prepared in accordance with the legal requirements for the Annual Accounts of banks contained in Title 9 Book 2 of The Netherlands Civil Code and the Dutch Accounting Standards, as published by the Dutch Accounting Standards Board, with application of the IFRS recognition and measurement principles. Except for the participating interests in group companies, which are recognised at net asset value. Triodos Bank complies with article 362 of Title 9 Book 2 of The Netherlands Civil Code, also known as combination 3.

The accounting principles for recognition and measurement are the same as for the consolidated financial statements. For the relevant accounting principles and the information regarding risk management, refer to the accounting principles, the relevant notes and the risk management section in the consolidated financial statements.

Accounting principles

Participating interests

Participating interests are valued based on the equity method. On initial recognition, the investment in the participating interest is recognised at cost. In subsequent periods, the carrying amount of the investment is adjusted for the following:

- Increase (or decrease) in the value of the investment for Triodos Bank's share of the participating interest's Net Income (or Net Loss) for the period
- Decrease in the value of the participating interest for distribution of dividends received from the participating interest, where dividends received from the participating interest are not recorded in the Profit & Loss account
- Increase (or decrease) in the value of the investment for Triodos Bank' share of the participating interest's Other Comprehensive Income for the period.

For those items not included in the Notes to the parent company financial statements, please see the Notes to the consolidated financial statements.

Notes to the parent company balance sheet

31 Receivables from credit institutions

Amounts in thousands of EUR	2022	2021
On demand deposits with banks	144,671	119,162
Deposits with banks	126,617	67,612
Interest receivable	199	-44
Allowance for ECL	-2	-1
Balance sheet value as at 31 December	271,485	186,729

Received cash collateral regarding forward currency contracts and interest rate swaps is presented as loans and advances to banks. The increase in received cash collateral is caused by fair value changes in interest rate swaps.

An amount of EUR 144.7 million of the deposits is encumbered (2021: EUR 118.2 million). These are on demand deposits at Cecabank in the amount of EUR 1.0 million (2021: EUR 1.0 million), ING Bank EUR 13.0 million (2021: EUR 13.0 million), Banco Cooperativo EUR 1.5 million (2021: EUR 1.5 million) The Dutch Central Bank EUR 50.0 million (2021: EUR 50.0 million), Rabobank EUR 6.7 million (2021: EUR 13.5 million) and ABN AMRO EUR 72.5 million (2021: 39.2 million). A deposit of EUR 0.0 million (2021: EUR 1.0 million) is subordinated. All other deposits can be freely disposed of.

32 Claims on customers

Amounts in thousands of EUR	2022	2021
Loans	9,420,296	8,896,871
Allowance for ECL	-39,353	-41,563
Balance sheet value as at 31 December	9,380,943	8,855,308

Amounts in thousands of EUR	2022		
	Gross carrying amount	Allowance for ECL	Carrying amount
Business loans	5,027,637	-35,497	4,992,140
Mortgage lending	4,447,170	-1,414	4,445,756
Short term loans ¹	60,000	-	60,000
Current accounts and credit cards	154,841	-2,442	152,399
Fair value hedge accounting	-289,691	-	-289,691
Interest receivables	20,339	-	20,339
Balance sheet value as at 31 December	9,420,296	-39,353	9,380,943

¹ These are loans, mostly to local municipalities, with a maximum maturity of one year and one day.

Amounts in thousands of EUR	2021		
	Gross carrying amount	Allowance for ECL	Carrying amount
Business loans	4,955,244	-38,043	4,917,201
Mortgage lending	3,621,128	-1,078	3,620,050
Short term loans ¹	138,628	-	138,628
Current accounts and credit cards	181,190	-2,442	178,748
Fair value hedge accounting	-14,709	-	-14,709
Interest receivables	15,390	-	15,390
Balance sheet value as at 31 December	8,896,871	-41,563	8,855,308

¹ These are loans, mostly to local municipalities, with a maximum maturity of one year and one day.

Claims on customers classified by residual maturity:

Amounts in thousands of EUR	2022	2021
Payable on demand	156,117	181,837
1 to 3 months	409,918	482,181
3 months to 1 year	837,089	770,856
1 to 5 years	3,227,655	3,104,344
Longer than 5 years	4,750,164	4,316,090
Balance sheet value as at 31 December	9,380,943	8,855,308

The claims on customers includes an amount of EUR 27.8 million (2021: EUR 33.2 million) regarding loans provided to consolidated participating interests.

A breakdown related to received collateral, relevant industries, sectors and per geographic region can be found in the pillar 3 report 2022 which can be found on the website of Triodos Bank.

33 Bonds and other fixed-income securities

Amounts in thousands of EUR	2022	2021
Dutch government bonds	9,940	69,667
Belgian government bonds	76,843	108,035
Spanish government bonds	98,356	51,733
Other bonds	1,106,615	925,731
Interest receivable	7,122	7,797
Fair value hedge accounting	350	645
Allowance for ECL	-28	-5
Balance sheet value as at 31 December	1,299,198	1,163,603

The movement in bonds is as follows:

Amounts in thousands of EUR	2022	2021
Balance sheet value as at 1 January	1,163,603	1,146,456
Acquisitions	619,635	238,254
Repayments	-474,029	-211,023
Sale	-	-
Amortisation difference between acquisition price and redemption value	-9,018	-8,932
Exchange rate differences	-	-
Interest receivable movement	-675	-697
Fair value hedge accounting movement	-295	-501
Net movement in allowance for ECL	-23	46
Balance sheet value as at 31 December	1,299,198	1,163,603

34 Shares and other variable-yield securities

Amounts in thousands of EUR	2022	2021
Participating equity at fair value through profit or loss	102	85
Balance sheet value as at 31 December	102	85

The movement in the participating equity at fair value through profit or loss is as follows:

Amounts in thousands of EUR	2022	2021
Balance sheet value as at 1 January	85	80
Acquisitions	-	-
Revaluation	17	5
Sales	-	-
Balance sheet value as at 31 December	102	85

35 Participating interests in group companies

The participating interests in group companies relate to the subsidiaries of Triodos Bank, mainly being Triodos Bank UK limited and Triodos Investment Management B.V.

Amounts in thousands of EUR	2022	2021
Investments in credit institutions	221,491	222,140
Other	33,865	25,469
Balance sheet value as at 31 December	255,356	247,609

The movement of the participating interests in group companies is as follows:

Amounts in thousands of EUR	2022	2021
Balance sheet value as at 1 January	247,609	223,810
Acquisitions	-	-
Increase of capital	-	-
Result on participating interests	19,182	15,382
Transfer from or to provision for negative equity of participating interests	-	-
Dividend paid	-	-2,673
Revaluation	-	-
Repayment of capital	-	-2,106
Sale	-	-
Exchange rate result on foreign currency	-11,435	13,196
Balance sheet value as at 31 December	255,356	247,609

Accounting policy

Participating interests are valued based on the equity method. On initial recognition, the investment in the participating interest is recognised at cost. In subsequent periods, the carrying amount of the investment is adjusted for the following:

- Increase (or decrease) in the value of the investment for Triodos Bank's share of the participating interest's
- Net Income (or Net Loss) for the period
- Decrease in the value of the participating interest for distribution of dividends received from the participating interest, where dividends received from the participating interest are not recorded in the Profit & Loss account
- Increase (or decrease) in the value of the investment for Triodos Bank' share of the participating interest's Other Comprehensive Income for the period.

For those items not included in the Notes to the parent company financial statements, please see the Notes to the consolidated financial statements.

36 Other participations

Amounts in thousands of EUR	2022	2021
Participating interests designated at fair value through OCI	35,990	30,143
Participating debt at fair value through profit or loss	189	5,462
Associates at equity value	5,226	-
Balance sheet value as at 31 December	41,405	35,605

This relates to equity participations that are held long-term for business operation purposes. The statement of equity participations in accordance with Section 2:379 of The Netherlands Civil Code is included under the accounting principles for consolidation in the Notes to the consolidated Annual Accounts.

The movement of the other participating interest designated at fair value through OCI is as follows:

Amounts in thousands of EUR	2022	2021
Balance sheet value as at 1 January	30,143	26,673
Acquisitions	-	-
Increase of capital	594	691
Revaluation	4,873	1,801
Repayment of capital	-	-
Divestments	-	-
Exchange rate differences	380	978
Balance sheet value as at 31 December	35,990	30,143

The movement of the participating debt at fair value through profit or loss is as follows:

Amounts in thousands of EUR	2022	2021
Balance sheet value as at 1 January	5,462	4,460
Acquisitions	-	-
Increase of capital	-	16
Revaluation	-542	654
Repayment of capital	-156	-
Divestments	-5,272 ¹	-
Exchange rate differences	697	332
Balance sheet value as at 31 December	189	5,462

¹ Sustainability – Finance – Real Economies SICAV-SIF public limited liability company (SFRE SIF) merged into Triodos Microfinance Fund (TMF) as at 16 September 2022. As a result of the merger, SFRE SIF ceased to exist and Triodos Bank received shares in TMF equal in value to the previous investment in SFRE SIF. The investment in TMF is classified as associate at equity value as this is a Triodos Investment Fund.

The movement in the associates at equity value is as follows:

Amounts in thousands of EUR	2022	2021
Balance sheet value as at 1 January	-	-
Acquisitions	5,272 ¹	-
Revaluation	-46	-
Sales	-	-
Balance sheet value as at 31 December	5,226	-

¹ Sustainability – Finance – Real Economies SICAV-SIF public limited liability company (SFRE SIF) merged into Triodos Microfinance Fund (TMF) as at 16 September 2022. As a result of the merger, SFRE SIF ceased to exist and Triodos Bank received shares in TMF equal in value to the previous investment in SFRE SIF. The investment in TMF is classified as associate at equity value as this is a Triodos Investment Fund.

37 Intangible assets

Amounts in thousands of EUR	2022	2021
Research and development costs	48,151	44,746
Concessions, licenses and intellectual property	1,006	1,196
Balance sheet value as at 31 December	49,157	45,942

Research and development costs

The research and development costs relate to the development costs for the banking system. The movement is as follows:

Amounts in thousands of EUR	2022	2021
Purchase value as at 1 January	77,429	65,633
Cumulative amortisation as at 1 January	-32,683	-23,794
Balance sheet value as at 1 January	44,746	41,839
Internal development	16,295	13,830
Amortisation	-12,890	-10,605
Impairments	-	-318
Balance sheet value as at 31 December	48,151	44,746
Purchase value as at 31 December	94,656	77,429
Cumulative amortisation as at 31 December	-46,505	-32,683
Balance sheet value as at 31 December	48,151	44,746

Concessions, licences and intellectual property

Concessions, licenses and intellectual property relates to computer software that has been purchased. The movement in computer software is as follows:

Amounts in thousands of EUR	2022	2021
Purchase value as at 1 January	3,330	3,191
Cumulative amortisation as at 1 January	-2,134	-1,909
Balance sheet value as at 1 January	1,196	1,282
Purchases	372	542
Amortisation	-562	-613
Impairments	-	-15
Balance sheet value as at 31 December	1,006	1,196
Purchase value as at 31 December	3,704	3,330
Cumulative amortisation as at 31 December	-2,698	-2,134
Balance sheet value as at 31 December	1,006	1,196

38 Property and equipment

Amounts in thousands of EUR	2022	2021
Property for own use	57,515	59,147
Equipment	18,048	21,301
Balance sheet value as at 31 December	75,563	80,448

The movement in the property for own use is as follows:

Amounts in thousands of EUR	2022	2021
Purchase value as at 1 January	65,625	65,413
Cumulative revaluation as at 1 January	-1,595	-1,595
Cumulative depreciation as at 1 January	-4,883	-3,260
Balance sheet value as at 1 January	59,147	60,558
Purchases	-	212
Depreciation	-1,632	-1,623
Impairments	-	-
Balance sheet value as at 31 December	57,515	59,147
Purchase value as at 31 December	64,019	65,625
Cumulative revaluation as at 31 December	-	-1,595
Cumulative depreciation as at 31 December	-6,504	-4,883
Balance sheet value as at 31 December	57,515	59,147

The movement in equipment is as follows:

Amounts in thousands of EUR	2022	2021
Purchase value as at 1 January	52,957	52,263
Cumulative depreciation as at 1 January	-31,656	-25,111
Balance sheet value as at 1 January	21,301	27,152
Purchases	2,301	1,976
Sales	-4	-261
Depreciation	-5,694	-6,188
Impairments	144	-1,378
Balance sheet value as at 31 December	18,048	21,301
Purchase value as at 31 December	52,315	52,957
Cumulative depreciation as at 31 December	-34,267	-31,656
Balance sheet value as at 31 December	18,048	21,301

Fully depreciated equipment with a total purchase value of EUR 2.4 million (2021: EUR 1.0 million) has been disposed of.

39 Investment property

Triodos Bank sometimes repossesses assets which come from acquisition in public auctions. These assets are collaterals of an executed loan. A part of the repossessed assets however will not be sold immediately because Triodos Bank has opted to add value by letting these assets and are therefore presented as investment property.

The movement in the investment property is as follows:

Amounts in thousands of EUR	2022	2021
Acquisition value as at 1 January	10,463	12,788
Cumulative depreciation as at 1 January	-2,558	-1,874
Balance sheet as at 1 January	7,905	10,914
New foreclosed assets	35	-
Sales	-1,037	-1,874
Depreciation	-164	-239
Impairments	-	-896
Balance sheet value as at 31 December	6,739	7,905
Purchase value as at 31 December	8,699	10,463
Cumulative depreciation as at 31 December	-1,960	-2,558
Balance sheet value as at 31 December	6,739	7,905

40 Leases

Triodos Bank leases many assets including land and buildings, vehicles, and IT equipment. Information about leases for which Triodos Bank is a lessee is presented below.

Right-of-use assets

Amounts in thousands of EUR	2022				2021			
	Property	Vehicles	Other	Total	Property	Vehicles	Other	Total
Balance at 1 January	13,693	1,122	381	15,196	16,062	1,137	449	17,648
Depreciation	-2,288	-633	-55	-2,976	-2,370	-651	-68	-3,089
Additions	1,594	348	318	2,260	173	677	-	850
Disposals	-2,187	-	-220	-2,407	-172	-41	-	-213
Balance sheet value as at 31 December	10,812	837	424	12,073	13,693	1,122	381	15,196

Lease liabilities

Amounts in thousands of EUR	2022			2021				
	Property	Vehicles	Other	Total	Property	Vehicles	Other	Total
Less than one year	2,091	695	56	2,842	2,222	824	72	3,118
More than one year	9,272	149	372	9,793	12,124	301	315	12,740
Balance sheet value as at 31 December	11,363	844	428	12,635	14,346	1,125	387	15,858

Amounts in thousands of EUR	2022			2021				
	Property	Vehicles	Other	Total	Property	Vehicles	Other	Total
Maturity analysis – contractual undiscounted cash flows								
Less than one year	2,272	452	56	2,780	2,181	519	72	2,772
One to five years	5,202	390	372	5,964	5,115	596	205	5,916
More than five years	4,485	-	-	4,485	7,154	-	110	7,264
Undiscounted lease liabilities at 31 December	11,959	842	428	13,229	14,450	1,115	387	15,952

41 Other assets

The balance sheet value of the other assets as at 31 December can be broken down as follows:

Amounts in thousands of EUR	2022	2021
Receivable regarding the deposit guarantee scheme	2,700	2,700
Other	38,005	43,775
Allowance for ECL	-488	-1,119
Balance sheet value as at 31 December	40,217	45,356

Of the other assets, EUR 14.1 million has a maturity of less than one year (2021: EUR 19.6 million). Due to the nature and the maturity of the other assets, the fair value approximates the carrying value.

The other assets includes an amount of EUR 2.6 million (2021: EUR 1.3 million) regarding receivables from consolidated participating interests.

42 Accrued assets

Of the accrued assets, EUR 10.2 million has a maturity of less than one year (2021: EUR 12.4 million). Due to the nature and the maturity of the accrued assets, the fair value approximates the carrying value.

43 Non-current Assets Held for Sale

The balance sheet value of the assets held-for-sale as at 31 December can be broken down as follows:

Amounts in thousands of EUR	2022	2021
Repossessed assets	4,750	6,544
Own property held for sale	-	6,135
Balance sheet value as at 31 December	4,750	12,679

Triodos Bank can acquire the collateral under non performing loans, all assets acquired are real estate. It is the intention of Triodos Bank to dispose of these assets as they are not part of the primary business of the Bank. If permitted by the underlying contracts of the acquired assets, these assets are presented as real estate for sale, using a realtor.

The sale of own property held for sale has been finalised in May 2022.

44 Amounts owed to credit institutions

Amounts in thousands of EUR	2022	2021
Deposits from banks	337,072	73,919
Deposits from Central Banks (TLTRO)	-	1,550,000
Interest payable	15	-15,614
Balance sheet value as at 31 December	337,087	1,608,305

45 Amounts owed to customers

Amounts in thousands of EUR	2022	2021
<i>Business clients:</i>		
Saving accounts	1,215,835	1,235,538
Fixed term deposits	151,551	101,866
Current accounts	2,862,805	2,424,143
<i>Retail clients:</i>		
Saving accounts	5,390,139	5,332,991
Fixed term deposits	312,981	373,985
Current accounts	2,049,225	1,916,959
Interest payable	1,716	718
Balance sheet value as at 31 December	11,984,252	11,386,200

The amounts owed to customers include an amount of EUR 23.6 million (2021: EUR 12.2 million) for deposits from consolidated participating interests.

Amounts owed to customers classified by residual maturity:

Amounts in thousands of EUR	2022			2021		
	Business clients	Retail clients	Total	Business clients	Retail clients	Total
Payable on demand	4,102,632	7,419,638	11,522,270	3,690,041	7,224,401	10,914,442
1 to 3 months	71,647	63,886	135,533	8,101	73,215	81,316
3 months to 1 year	37,566	157,774	195,340	33,422	173,778	207,200
1 to 5 years	16,344	88,878	105,222	26,240	123,229	149,469
Longer than 5 years	2,608	23,279	25,887	3,980	29,793	33,773
Balance sheet value as at 31 December	4,230,797	7,753,455	11,984,252	3,761,784	7,624,416	11,386,200

46 Other debts

The other debts fall due within one year for an amount of EUR 19.0 million (2021: EUR 15.2 million). Due to the nature and the maturity of the other debts, the fair value approximates the carrying value.

The other debts includes an amount of EUR 0.0 million (2021: EUR 0.0 million) regarding payables to consolidated participating interests.

47 Accrued liabilities

The accrued liabilities fall due within one year for an amount of EUR 53.7 million (2021: EUR 34.9 million). Due to the nature and the maturity of the accrued liabilities, the fair value approximates the carrying value.

48 Provisions

Amounts in thousands of EUR	2022	2021
ECL on financial guarantee contracts issued	112	20
ECL on loan commitments issued	927	1,055
Other provisions	5,566	1,062
Balance sheet value as at 31 December	6,605	2,137

In May 2022 Triodos Bank announced its intention to optimise its resources and deliver increased impact for the bank's customers and investors. This restructure will help the bank to realise cost savings of approximately EUR 11-12 million. The restructuring is aiming to optimise the Bank through integration. To enable this restructuring Triodos Bank has recorded a restructuring provision of EUR 4.3 million, representing the cost related to redundancies. Any costs related to ongoing business such as retraining or

relocating employees and consulting fees are not provided for. Further details over the restructuring plan can be found under note 16 Provisions, within the consolidated accounts of Triodos Bank.

In 2021, a provision of EUR 2.3 million was recorded in relation to a sale in 2019 of an investment within a managed investment fund that had been marked, in retrospect, for a fiscal claim, in which case part of the received management fee might need to be repaid. This provision has been derecognised in 2022 due to developments that have made the probability of future payments highly unlikely.

The movement of the other provisions is as follows:

Amounts in thousands of EUR	2022	2021
Balance sheet value as at 1 January	1,062	1,501
Addition	5,482	511
Withdrawal	-112	-182
Release	-866	-768
Exchange rate differences	-	-
Balance sheet value as at 31 December	5,566	1,062

49 Subordinated liabilities

Amounts in thousands of EUR	2022	2021
<i>Subordinated Tier 2 instruments:</i>		
Subordinated Green Bond (institutional investors)	248,336	247,930
Interest payable	5,073	866
Balance sheet value as at 31 December	253,409	248,796

In 2021 Triodos Bank realised a successful placement of a subordinated Green Bond. The Green Bond has a nominal value of EUR 250 million, a tenor of 10.25 years, and a coupon of 2.25% for the first five and a quarter years after which there is an option to early redeem the bond. If the bond is not early redeemed, the interest rate is reset to maturity at 2.4% above the annual Euro mid swap rate. The Green Bond has been placed below nominal value at 99.497%. The placement of the Green Bond results in an increase of the Tier 2 Capital which is a diversification of the Total Capital of Triodos Bank.

The Green Bond has been issued taking into account the ICMA Green Bond Principles, Climate Bond Initiative Standards and the EU Taxonomy recommendations. It has been assessed by a Second Party Opinion as best market practice on all components. This confirms Triodos Bank's ambition to 'change finance, by financing change' and underlines its position as frontrunner in sustainable banking.

The movement of the subordinated Green Bond issued is as follows:

Amounts in thousands of EUR	2022	2021
Balance sheet value as at 1 January	248,796	-
Issuance	-	247,868
Amortisation	406	62
Interest payable	4,207	866
Balance sheet value as at 31 December	253,409	248,796

50 Equity

Share capital

The authorised capital totals to an amount of EUR 1.5 billion and is divided into 30 million ordinary shares, each with a nominal value of EUR 50. At year-end, there were 14,467,056 ordinary shares (2021: 14,467,056 shares), each of EUR 50, issued to and fully paid up by Stichting Administratiekantoor Aandelen Triodos Bank. As at the same date, Stichting Administratiekantoor Aandelen Triodos Bank had also issued 14,467,056 depository receipts (2021: 14,467,056 depository receipts), each with a nominal value of EUR 50.

The purchasing and reissuing of depository receipts for own shares is charged or credited respectively to the Other reserves. Any balance remaining after the re-issuing of all own depository receipts purchased shall be placed at the disposal of the Annual General Meeting.

The movement in the number of shares is as follows:

Amounts in thousands of EUR	2022	2021
Number of shares as at 1 January	14,467,056	14,467,056
Increase of share capital	-	-
Number of shares as at 31 December	14,467,056	14,467,056

Share premium reserve

This item includes the share premium reserve, which is composed of deposits that exceed the nominal capital, after deduction of capital transfer tax. The full balance of the share premium reserve has been recognised as such for tax purposes.

Statutory reserve

The statutory reserve is a regulatory reserve for in-house developed intangible assets and is not available for distribution to shareholders.

Amounts in thousands of EUR	2022	2021
Development costs	49,568	46,431
Balance sheet value as at 31 December	49,568	46,431

The movement is as follows:

Amounts in thousands of EUR	2022	2021
Balance sheet value as at 1 January	46,431	43,806
Transfer of retained earnings	3,137	2,625
Balance sheet value as at 31 December	49,568	46,431

Retained earnings

The movement in retained earnings includes purchasing of own depository receipts. At year-end 2022, Triodos Bank had purchased 250,634 own depository receipts amounting to EUR 21,556 thousand (2021: 250,634 amounting to EUR 21,556 thousand).

51 Contingent liabilities

This item relates to credit-substitute guarantees and non-credit-substitute guarantees that are partly secured by blocked accounts for the same amount.

Amounts in thousands of EUR	2022	2021
Credit substitute guarantees	25,295	35,929
Non-credit substitute guarantees	40,848	53,113
Total contingent liabilities	66,143	89,042

Credit substitute guarantees are guarantees to customers for loans provided to these customers by other banks. Non-credit substitute guarantees are guarantees to customers for all other obligations of these customers to third parties. For example:

- Obligations to purchase sustainable goods, such as wind turbines.
- Obligations to decommission equipment or reinstate property (mostly related to project finance provided by Triodos Bank).

During 2020, Triodos Bank has provided a guarantee with a maximum of EUR 20 million to Triodos Investment Management relating to a transaction that was made on behalf of an investment fund managed by Triodos Investment Management. Triodos Bank receives a fee of 0.1% per annum over the maximum guarantee.

The decrease of the credit substitute guarantees is mainly due to the conversion, by a client, of a large credit substitute guarantee into a loan agreement with Triodos Bank.

The decrease of the non-credit substitute guarantees is mainly due to the termination of a few large bank guarantees.

Contingent liabilities - Legal proceedings

Triodos Bank is involved in a number of legal proceedings. Management assesses the outcome of litigation matters, and takes provisions when expected losses with respect to such matters are more likely than not. Provisions are not recognised for matters against Triodos Bank for which an expected outflow of resources cannot be reliably estimated or that are not more likely than not to lead to an outflow of resources. Therefore, per year end Triodos Bank has a contingent liability due to legal proceedings in relation to Depository Receipts. For more information on the contingent liability, refer to 19 Contingent liabilities (see page 198).

52 Irrevocable facilities

These relate to the total liabilities in respect of irrevocable undertakings, which may lead to a further loan.

Amounts in thousands of EUR	2022	2021
Undrawn debit limits on current accounts and credit cards	362,338	370,066
Accepted loans not yet paid out	1,274,781	1,430,467
Valid loan offers not yet accepted	74,393	127,829
Other facilities	1,037	1,220
Total irrevocable facilities	1,712,549	1,929,582

Notes to the parent company profit or loss account

53 Interest income

Amounts in thousands of EUR	2022	2021
Loans and advances to customers	191,296	169,624
Loans and advances to banks	9,628	50
Debt securities at amortised cost	7,850	8,241
Negative interest expense on TLTRO III	10,055	13,703
Negative interest expense deposits from customers	5,683	6,441
Other interest income	634	2,707
Total interest income	225,146	200,766

The interest income includes income derived from loans and related transactions, as well as related commissions, which by their nature are similar to interest payments. The interest-bearing securities item does not include sales result (2021: nil).

The interest income includes income derived from loans provided to consolidated participating interest in the amount of EUR 109.0 thousand (2021: EUR 129 thousand).

54 Interest expense

Amounts in thousands of EUR	2022	2021
Deposits from customers	-2,601	-2,719
Deposits from banks	-1,026	-656
Subordinated liabilities	-6,030	-928
Negative interest income loans and advances to banks	-8,175	-13,598
Negative interest income debt securities	-1,463	-1,009
Other interest expense	-5,719	-2,680
Total interest expense	-25,014	-21,590

55 Income from participating interests

Amounts in thousands of EUR	2022	2021
Dividend from investment securities	616	310
Result on group companies after taxation	19,182	15,382
Total investment income	19,798	15,692

56 Fee and commission income

Amounts in thousands of EUR	2022	2021
Guarantee commission	633	849
Transaction fee securities	1,249	1,319
Payment transactions ¹	31,174	29,395
Lending	13,492	11,308
Asset Management ¹	15,227	15,577
Management fees	8,161	5,017
Other commission income	2,938	4,349
Total fee and commission income	72,874	67,814

¹ Service fees on investment accounts are reclassified from payment transactions to asset management. The comparative figures in the amount of EUR 6.5 million are adjusted accordingly.

57 Fee and commission expense

Amounts in thousands of EUR	2022	2021
Commission to agents	39	295
Asset Management	1,934	916
Other commission expense	5,833	4,360
Total fee and commission expense	7,806	5,571

58 Net result from other financial instruments at FVTPL

Amounts in thousands of EUR	2022	2021
Hedge accounting ineffectiveness	1,245	34
Fair value movement of derivatives not yet in a hedge relationship	-1,461	1,017
Fair value movement of participating debt at fair value through profit or loss	116	986
Net result from other financial instruments at FVTPL	-100	2,037

59 Other income

Amounts in thousands of EUR	2022	2021
Exchange results for foreign currency transactions	-3	2
Transaction results on currency forward contracts	17	23
Realised results assets not in use ¹	219	1,225
Income assets not in use ¹	70	183
Modification result	268	94
Other income	379	464
Total other income	950	1,991

¹ Assets not in use relates to acquired collateral on written off loans.

For further information on the hedge accounting ineffectiveness, refer to Non-trading derivatives and hedge accounting (see page 311).

The other income relates to fees for other services performed and results from asset disposals.

60 Personnel and other administrative expenses

Amounts in thousands of EUR	2022	2021
Personnel expenses		
• salary expenses	78,286	71,026
• pension expenses ¹	10,022	9,446
• social security expenses	14,842	13,185
• temporary co-workers	23,311	21,532
• other staff costs	8,236	5,974
• capitalised co-worker costs	-11,261	-9,670
Total personnel expenses	123,436	111,493
Other administrative expenses		
• IT costs	16,807	17,392
• external administration costs	11,804	10,635
• advertising charges	6,173	6,325
• office costs	3,600	3,521
• accommodation expenses	4,276	4,473
• fees for independent auditor ¹	18,482	13,278
• travel and lodging expenses	994	710
• other expenses ²	10,847	6,966
Total other administrative expenses	72,983	63,300
Total personnel and other administrative expenses	196,419	174,793
Average number FTE's during the year³	1,181.4	1,097.7

¹ The details of the pension scheme and of the auditor fees are included in note 27 Personnel and other administrative expenses of the financial statements.

² The other expenses has increased due to the creation of a reorganisation provision in the amount of EUR 4.3 million.

³ Of which 501.7 FTE (2021: 491.2 FTE) works outside of the Netherlands.

61 Depreciation, amortisation and value adjustments of property and equipment, and intangible assets

Amounts in thousands of EUR	2022	2021
Amortisation of intangible fixed assets	13,452	11,218
Impairment of intangible fixed assets	-	333
Amortisation & impairment charge for the year	13,452	11,551
Depreciation of property and equipment	10,469	11,139
Impairment of tangible fixed assets	92	2,319
Amortisation & impairment charge for the year	10,561	13,458

Depreciation has been reduced by the part that is charged on to related parties.

62 Impairment result on financial instruments

This item consists of expenses associated with write-downs on loans and other receivables.

Amounts in thousands of EUR	2022	2021
Allowance for expected credit loss	2,414	-2,969
Other impairments on financial instruments	102	78
Total impairment result on financial instruments for the year	2,516	-2,891

63 Taxation on operating result

Amounts in thousands of EUR	2022	2021
Taxation to be paid	11,621	12,827
Deferred taxation	1,339	642
Total taxation on operating result	12,960	13,469

Reconciliation of effective tax rate

Amounts in thousands of EUR	2022	2021
Result before taxation	62,900	64,228
Result on group companies after taxation	19,182	15,382
Statutory result before taxation	43,718	48,846
Statutory tax rate	25.8%	25.0%
Statutory tax amount	11,279	12,211
Income Non Taxable	2	-222
Tax Deduction Not Expensed	-	-
Expenses Non Deductible	1,927	1,266
Impact tax rate differences - statutory rate foreign jurisdictions	389	268
Restatement of deferred taxation items as the result of amended tax rates	-	194
Incentives for gifts, community investment and innovation	-329	-326
Other reconciling items	-308	78
Effective tax amount	12,960	13,469
Effective tax rate	20.6%	21.0%

Subsequent events

There are no subsequent events that are of material nature for the annual accounts.

Driebergen-Rijsenburg, 15 March 2023

Supervisory Board,

Executive board,

Mike Nawas, Chair

Jeroen Rijpkema, CEO, Chair

Danielle Melis, Vice-Chair

Kees van Kalveen, CFO

Sébastien D'Hondt

Marjolein Landheer, CRO a.i.¹

Kristina Flügel

Jacco Minnaar, CCO

Susanne Hannestad

Nico Kronemeijer, COO

¹ Marjolein Landheer temporarily replaces the current CRO, Carla van der Weerd, who is recovering from the health impact of long COVID-19.